TEMPORARY

No. 67849-T

TEMPORARY

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office
Returned to applicant for correction
Corrected application filed
Map filed JUN 18 1999 under 65216-T

The applicant Midas Joint Venture, Inc. hereby make application for permission to change the Point of Diversion, Manner of Use and Place of Use of a portion of water heretofore appropriated under Permit #64598 ***********************************
1. The source of water is underground
2. The amount of water to be changed 90.00 acre feet annually
3. The water to be used for mining, milling, domestic
4. The water heretofore permitted for mining, exploration, drilling and test mining
5. The water is to be diverted at the following point NE¼ NE¼, Section 3, T.38N R.46E, MDM or at a point from which the Northeast corner of said Section 3 bears North 33° 55' 28" East, a distance of 670.0 feet
6. The existing permitted point of diversion is located within NW¼ NW¼ Section 22, T.39N, R.46E, MDM or at a point from which the Northwest corner of said Section 22 bears N 66° 16' 52" west a distance of 1371.71 feet
7. Proposed place of use NW1/4, NE1/4 and SE1/4 Section 27, T.39N, R.46E and SE1/4 Section 22 T.39N, R.46E. MDM
8. Existing place of use Section 15, Section 16, Section 21, Section 22, Section 27, Section 28, Section 34, T39N, R.46E, MDBM
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works Drill well, install, pump, motor, flow meter, and pipeline to mill site and mine
12. Estimated cost of works \$300,000
13. Estimated time required to construct works Well completed: total depth 465 feet, 22 inch borehole cased with 12% inch steel casing.
14. Estimated time required to complete the application of water to beneficial use 10 years
15. Remarks: Combined duty for permits 60669, 61888, 62114, 62582, 63022, 64803, 65219, 65220, 65221 shall not exceed 201.5 acre feet annually.
By Russell Clark s/Russell Clark HC 66 Box 125 Midas, Nevada 89414 Compared my/cmf ds/cmf

Protested_

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions.

This temporary permit to change the point of diversion, place and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 64598, is issued subject to the terms and conditions imposed in said Permit 64598, and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

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The total combined duty of water under Permits 60669, 61888, 62114, Certificate 15682; 62582, 63022, 64598, 65219, 65220, 65221, and Temporary Permit 67849-T shall not exceed 201.5 acrefeet annually.

The manner of use of water under this temporary permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the following; (a) the volume of water pumped from each well, (b) the volume of water consumptively used for mining and milling purposes and, (c) the amount of water diverted to the infiltration basin. These records must be submitted to the State Engineer on a quarterly basis, within 15 days after the end of each calendar quarter.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **September 20, 2002** at which time all rights herein granted shall revert to the right being changed by this temporary permit.

(CONTINUED ON PAGE 3)

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The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1243 cubic feet per second, but not to exceed 90 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

Proof of completion of work shall be filed before:

Water must be placed to beneficial use on or before:

Proof of the application of water to beneficial use shall be filed on or before:

Map in support of proof of beneficial use shall be filed on or before:

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 21st day of September A.D. 2001

State Engineer

EXPIRED

DATE SEP 2 0 2002

